

D R A F T

SUMMARY

Changes education requirements for vehicle dealers.

1 **A BILL FOR AN ACT**

2 Relating to education requirements for vehicle dealers; creating new pro-
3 visions; and amending ORS 822.027 and 822.040.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 822.027 is amended to read:

6 822.027. (1) Except as provided in subsection (2) of this section, [*the fol-*
7 *lowing education requirements apply to an applicant for a vehicle dealer cer-*
8 *tificate under ORS 822.020 or 822.040:*]

9 [(a)] an applicant for a vehicle dealer certificate under ORS 822.020 must
10 complete a minimum of eight hours of approved education programs de-
11 scribed in subsection [(4)] **(3)** of this section and pass a test [*within one year*
12 *prior to*] **before** submitting an application for the certificate.[: and]

13 [(b) *An applicant for a renewal certificate under ORS 822.040 must com-*
14 *plete a minimum of five hours per year in a licensing period of approved con-*
15 *tinuing education programs described in subsection (4) of this section prior to*
16 *submitting an application for the renewal certificate.*]

17 (2) The education [*requirements*] **requirement** in subsection [(1)(a)] **(1)**
18 of this section [*do*] **does** not apply to an applicant for a vehicle dealer cer-
19 tificate under ORS 822.020 [*or 822.040*] if, at the time of application, the ap-
20 plicant holds another certificate issued under ORS 822.020 [*or 822.040*].

21 [(3) *The continuing education requirements of subsection (1)(b) of this sec-*
22 *tion do not apply to an applicant for renewal of a vehicle dealer certificate*

1 *under ORS 822.040 if the applicant is:]*

2 *[(a) A dealer having a franchise in this state for nationally advertised and*
3 *recognized motor vehicles;]*

4 *[(b) A dealer having a franchise in this state for new recreational*
5 *vehicles;]*

6 *[(c) A motor vehicle rental company having a national franchise under the*
7 *ownership of a corporation that operates throughout the United States; or]*

8 *[(d) A national auction company that holds a vehicle dealer certificate and*
9 *a dismantler certificate whose primary activity in this state is the sale or dis-*
10 *position of totaled vehicles.]*

11 *[(4)]* **(3)** Education programs and the test required in subsection (1) of this
12 section may be developed by any motor vehicle industry organization, [*in-*
13 *cluding, but not limited to, the Oregon Independent Auto Dealers*
14 *Association]* **accredited educational institution, private vocational**
15 **school, correspondence school or trade association** and shall be submit-
16 ted to the advisory committee established under ORS 802.370 for approval.
17 The committee shall approve any program or test that pertains to the motor
18 vehicle industry and includes state and federal law in at least the following
19 areas:

- 20 (a) Motor vehicle advertising;
- 21 (b) Odometer laws and regulations;
- 22 (c) Vehicle licensing and registration;
- 23 (d) Unlawful dealer activities;
- 24 (e) Environmental rules and regulations;
- 25 (f) Oregon and industry standard motor vehicle forms;
- 26 (g) Truthful lending practices;
- 27 (h) Motor vehicle financing;
- 28 (i) Service and warranty contracts; and
- 29 (j) Land use regulations governing motor vehicle dealers.

30 *[(5) Education programs and the test required in subsection (1) of this sec-*
31 *tion may be provided by accredited educational institutions, private vocational*

1 *schools, correspondence schools or trade associations if the education programs*
2 *and test have been approved by the advisory committee established under ORS*
3 *802.370 as required in subsection (4) of this section.]*

4 **SECTION 2.** ORS 822.040 is amended to read:

5 822.040. (1) The holder of a current, valid vehicle dealer certificate issued
6 under ORS 822.020 may exercise the following privileges under the certifi-
7 cate:

8 (a) A dealer is authorized, without violating ORS 803.025 or 803.300, to
9 use and operate over and along the highways of this state all vehicles dis-
10 playing the dealer's plates whether registered or not or whether or not a title
11 is issued for the vehicle. This paragraph does not authorize dealers to use
12 or operate vehicles under dealer plates unless the vehicles are actually
13 owned or controlled by the dealer and in actual use by the dealer, members
14 of the dealer's firm, any salesperson thereof or any person authorized by the
15 dealer. Vehicles operated under dealer plates may be used for the same pur-
16 poses as are any other vehicles registered in this state that are registered
17 by payment of the fee under ORS 803.420. This paragraph is subject to the
18 limitations under ORS 822.045.

19 (b) A dealer is entitled to receive dealer plates or devices and replacement
20 or additional dealer plates or devices. As many additional dealer plates as
21 may be desired may be obtained upon the filing of a formal application for
22 additional plates with the Department of Transportation. The plates issued
23 to dealers shall require the payment of fees as provided under ORS 805.250.

24 (c) The person is not subject to the prohibitions and penalties under ORS
25 822.005 as long as the holder's vehicle dealer business is conducted in a lo-
26 cation approved under the certificate.

27 (d) The dealer shall be considered the owner of vehicles manufactured or
28 dealt in by the dealer, before delivery and sale of the vehicles, and of all
29 vehicles in the dealer's possession and operated or driven by the dealer or
30 the dealer's employees.

31 (2) The holder of a vehicle dealer certificate may open additional places

1 of business under the same business name by obtaining a supplemental cer-
2 tificate from the department under this subsection. The following all apply
3 to a supplemental certificate issued under this subsection:

4 (a) The department shall not issue a supplemental certificate under this
5 subsection if the additional place of business opened will be operated under
6 a different business name than that indicated on the current certificate. Any
7 business that a vehicle dealer operates under a separate business name must
8 be operated under a separate certificate and the dealer must apply for and
9 pay the fees for a regular dealer certificate for the business.

10 (b) A supplemental certificate issued under this subsection is subject to
11 the fee for supplemental certificate under ORS 822.700.

12 (3) The holder of a vehicle dealer certificate may move a place of business
13 or change a business name by obtaining a corrected certificate from the de-
14 partment. For purposes of this subsection, "place of business" includes a
15 recreational vehicle service facility as defined in ORS 822.082. The following
16 apply to a corrected certificate issued under this subsection:

17 (a) The department shall prescribe the form for application for a corrected
18 certificate.

19 (b) A person applying for a corrected certificate shall pay the fee for the
20 corrected certificate established in ORS 822.700.

21 (4) The department may establish by rule the requirements a holder of a
22 vehicle dealer certificate must meet to display a vehicle at a location other
23 than the dealer's place of business for the purpose of advertising without
24 first obtaining a supplemental certificate from the department. In addition
25 to any requirements established by the department by rule, all of the fol-
26 lowing apply:

27 (a) The dealer must have a signed agreement with the owner of the
28 property or the person using the property where the vehicle is to be dis-
29 played stating that the vehicle is for an advertising promotion only and that
30 the processing of any documents or other activities required to purchase a
31 vehicle must be done at the dealer's place of business.

1 (b) The vehicle on display must be clearly marked with the dealer's name
2 and contact information and a notice that the vehicle is displayed only for
3 the purpose of advertising and may be purchased only at the dealer's place
4 of business.

5 (c) Displaying the vehicle must not violate any zoning laws or ordinances.

6 (d) The dealer or the dealer's employees may not remain with the vehicle
7 except for the purpose of moving the vehicle in or out of the display area.

8 (5) A vehicle dealer certificate is valid for a three-year period and may
9 be renewed as provided by the department. The department shall only renew
10 a certificate if the applicant for renewal does all of the following:

11 (a) Pays the required fee for renewal under ORS 822.700.

12 (b) Delivers to the department a bond that meets the requirements under
13 ORS 822.030.

14 (c) Delivers to the department a certificate of insurance that meets the
15 requirements under ORS 822.033.

16 (d) Provides the names of all partners or corporate officers.

17 [(e) *Certifies completion of the education requirements of ORS 822.027 (1)*
18 *if the person is a dealer subject to the education requirements.*]

19 [(f)] (e) If the dealer offers new recreational vehicles for sale under the
20 certificate, certifies that the dealer maintains a recreational vehicle service
21 facility as listed in the dealer certificate application described in ORS
22 822.025.

23 (6) The department may adopt suitable rules for the issuance and renewal
24 of certificates under this section and ORS 822.020.

25 **SECTION 3. The amendments to ORS 822.027 and 822.040 by sections**
26 **1 and 2 of this 2013 Act apply to applications for vehicle dealer certif-**
27 **icates submitted on or after the effective date of this 2013 Act.**

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